Reuben Yeroushalmi (SBN 193981) 1 Daniel D. Cho (SBN 105409) Ben Yeroushalmi (SBN 232540) 2 YEROUSHALMI & ASSOCIATES 3 9100 Wilshire Boulevard, Suite 240W Beverly Hills, California 90212 4 Telephone: 310.623.1926 Facsimile: 310.623.1930 5 Attorneys for Plaintiffs, 6 Consumer Advocacy Group, Inc. 7 8 SUPERIOR COURT OF THE STATE OF CALIFORNIA 9 LOS ANGELES - CENTRAL DISTRICT 10 11 CONSUMER ADVOCACY GROUP, INC., **CASE NO. BC498207** in the public interest, 12 CONSENT JUDGMENT [PROPOSED] Plaintiff, 13 14 Health & Safety Code § 25249.5 et seq. ٧. 15 CEQUENT CONSUMER PRODUCTS, INC., a Delaware Corporation; CEQUENT Hon. Mark Mooney Judge: 16 PERFORMANCE PRODUCTS, INC., a Dept: 68 17 Delaware Corporation; TRIMAS Complaint Filed: December 28, 2012 COMPANY, LLC., a Delaware Limited 18 Liability Corporation; TRIMAS CORPORATION, a Delaware Corporation; 19 BIG LOTS STORES, INC., an Ohio 20 Corporation; and DOES 1-20; 21 Defendants. 22 23 INTRODUCTION 1. 24 This Consent Judgment is entered into by and between plaintiff, Consumer 1.1 25 Advocacy Group, Inc. (referred to as "CAG") acting on behalf of itself and in the interest of the 26 public, and defendant, Cequent Consumer Products, Inc. (hereinafter referred to as "Cequent" or 27 Defendant), with each referred to as a "Party" and collectively referred to as "Parties." 28 CONSENT JUDGMENT [PROPOSED]

1.2 Defendants and Products

1.2.1 Defendant employs ten or more persons, is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§ 25249.6 et seq. ("Proposition 65"), and causes to be manufactured, distributed, or sells Ratchet Tie Downs, including but not limited to "Titan, 10' Ratchet Tie Down, For Loads up To: 600 Lbs, Break Strength: 1800lb, #94257."

1.3 Chemical Of Concern

1.3.1 Diethyl hexyl phthalate ("DEHP") and Di-butyl phthalate ("DBP") are chemicals known to the State of California to cause cancer and/or birth defects or other reproductive harm.

1.4 Notices of Violation.

- 1.4.1 On or about July 25, 2011, CAG served Cequent Consumer Products, Inc. and various public enforcement agencies with a document entitled "60-Day Notice of Violation" (the "July 25, 2011 Notice") that provided the recipients with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to DEHP in Ratchet Tie Downs, including but not limited to "Titan, 10'Ratchet Tie Down, For Loads up To: 600 Lbs, Break Strength: 1800lb, #94257." No public enforcer has commenced or diligently prosecuted the allegations set forth in the July 25, 2011 Notice.
- 1.4.2 On or about November 30, 2012, CAG served Cequent Consumer Products, Inc. and various public enforcement agencies with a document entitled "60-Day Notice of Violation" (the "November 30, 2012 Notice") that provided the recipients with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to DEHP in Ratchet Tie Downs, including but not limited to "Standard Duty 14' Ratchet Tie Downs #3341500, Cequent Consumer Products, Inc., SKU#4289911611". No public enforcer has commenced or diligently prosecuted the allegations set forth in the November 30, 2012 Notice.

- 1.4.3 On or about December 11, 2012, CAG served Cequent Consumer Products, Inc. and various public enforcement agencies with a document entitled "60-Day Notice of Violation" (the "December 17, 2012 Notice") that provided the recipients with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to DEHP and DBP in Ratchet Tie Downs, including but not limited to "Highland ® 4 Pack 12' Ratchet Tie Downs, "Heavy Duty for loads up to: 1100 LB", 11604, UPC #042899116042" and "Highland ® 2 Pack 6' Ratchet Tie Downs, "Standard Duty for loads up to: 600 LB", 11521, 755-2104, UPC #042899615217" No public enforcer has commenced or diligently prosecuted the allegations set forth in the December 11, 2012 Notice.
- 1.4.4 On or about December 11, 2012, CAG served Cequent Consumer Products, Inc. and various public enforcement agencies with a document entitled "60-Day Notice of Violation" (the "December 11, 2012 Notice") that provided the recipients with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to DEHP and DBP in Ratchet Tie Downs, including but not limited to "Highland ® 2 Pack 6' Ratchet Tie Downs, "Titan", "Standard Duty for loads up to: 600 LB", 11572, 755-2612, UPC #042899115724." No public enforcer has commenced or diligently prosecuted the allegations set forth in the December 11, 2012 Notice.

1.5 Complaint.

On December 28, 2012, CAG filed a Complaint for civil penalties and injunctive relief ("Complaint") in Los Angeles Superior Court, Case No. BC498207. The Complaint alleges, among other things, that Defendant violated Proposition 65 by failing to give clear and reasonable warnings of exposure to DEHP from the Covered Products.

1.6 Consent to Jurisdiction

For purposes of this Consent Judgment, the Parties stipulate that this Court has jurisdiction over the allegations of violations contained in the Complaint and personal jurisdiction over Defendant as to the acts alleged in the Complaint, that venue is proper in the

19 20

22

24 25

26 27

28

County of Los Angeles and that this Court has jurisdiction to enter this Consent Judgment as a full settlement and resolution of the allegations contained in the Complaint and of all claims which were or could have been raised by any person or entity based in whole or in part, directly or indirectly, on the facts alleged therein or arising therefrom or related thereto.

1.7 No Admission

This Consent Judgment resolves claims that are denied and disputed. The Parties enter into this Consent Judgment pursuant to a full and final settlement of any and all claims between the Parties for the purpose of avoiding prolonged litigation. Nothing in this Consent Judgment shall be construed as an admission by the Parties of any material allegation of the Complaint (each and every allegation of which Defendant denies), any fact, conclusion of law, issue of law or violation of law, including without limitation, any admission concerning any violation of Proposition 65 or any other statutory, regulatory, common law, or equitable doctrine, or the meaning of the terms "knowingly and intentionally expose" or "clear and reasonable warning" as used in Health and Safety Code section 25249.6. Nothing in this Consent Judgment, nor compliance with its terms, shall constitute or be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law, or of fault, wrongdoing, or liability by any Defendant, its officers, directors, employees, or parent, subsidiary or affiliated corporations, or be offered or admitted as evidence in any administrative or judicial proceeding or litigation in any court, agency, or forum. Furthermore, nothing in this Consent Judgment shall prejudice, waive or impair any right, remedy, argument, or defense the Parties may have in any other or future legal proceeding, except as expressly provided in this Consent Judgment.

DEFINITIONS

"Covered Products" means Ratchet Tie Downs, including but not limited to "Titan, 2.1 10'Ratchet Tie Down, For Loads up To: 600 Lbs, Break Strength: 1800lb, #94257", "Standard Duty 14' Ratchet Tie Downs #3341500, Cequent Consumer Products, Inc., SKU#4289911611", "Highland ® 4 Pack 12' Ratchet Tie Downs, "Heavy Duty for loads up to: 1100 LB", 11604, UPC #042899116042" and "Highland ® 2 Pack 6' Ratchet Tie Downs, "Standard Duty for loads up to: 600 LB", 11521, 755-2104, UPC #042899615217", and "Highland ® 2 Pack 6' Ratchet Tie Downs, "Titan", "Standard Duty for loads up to: 600 LB", 11572, 755-2612, UPC #042899115724". "Covered Products" are limited to the products sold only by Cequent.

- 2.2 "Effective Date" means the date that this Consent Judgment is entered by the Court.
- 2.5 "Notices" means the July 25, 2011, November 30, 2012, and December 11, 2012 Notices.

3. INJUNCTIVE RELIEF / CLEAR AND REASONABLE WARNINGS.

3.1 As of the Effective Date, Defendant will not manufacture, distribute, or sell the Covered Products in California unless the Covered Products have been affixed with Proposition 65 compliant warnings.

4. SETTLEMENT PAYMENT

- 4.1 **Payment and Due Date**: Within ten (10) days of the approval of the Effective Date, Defendant shall pay a total of seventy-five thousand dollars and zero cents (\$75,000) in full and complete settlement of all monetary claims by CAG related to the Notices, as follows:
- 4.1.1 Civil Penalty: Defendant shall issue separate checks totaling sixteen thousand dollars (\$16,000) as penalties pursuant to Health & Safety Code § 25249.12:
- (a) Defendant will issue a check made payable to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") in the amount of twelve thousand dollars (\$12,000) representing 75% of the total penalty and Defendant will issue a check to "Consumer Advocacy Group, Inc." in the amount of four thousand dollars (\$4,000) representing 25% of the total penalty; and
- (b) Separate 1099s shall be issued for each of the above payments: Defendant will issue a 1099 to OEHHA, P.O. Box 4010, Sacramento, CA 95184 (EIN: 68-0284486) in the amount of \$12,000. Defendant will also issue a 1099 to CAG c/o Yeroushalmi & Associates, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212.

12

4.1.2 Payment In Lieu of Civil Penalties: Defendant shall pay nine thousand dollars (\$9,000) in lieu of civil penalties to "Consumer Advocacy Group, Inc." CAG will use this payment for investigation of the public's exposure to Proposition 65 listed chemicals through various means, including laboratory fees for testing for Proposition 65 listed chemicals, administrative costs and fees related to such activities, expert fees for evaluating exposures through various mediums, including but not limited to consumer product, occupational, and environmental exposures to Proposition 65 listed chemicals, and the cost of hiring consulting and retained experts who assist with the extensive scientific analysis necessary for those files in litigation, as well as administrative costs and fees related to such activities in order to reduce the public's exposure to Proposition 65 listed chemicals by notifying those persons and/or entities believed to be responsible for such exposures and attempting to persuade those persons and/or entities to reformulate their products or the source of exposure to completely eliminate or lower the level of Proposition 65 listed chemicals, thereby addressing the same public harm as allegedly in the instant Action. Further, should the court require it, CAG will submit under seal, an accounting of these funds as described above as to how the funds were used. The check shall be made payable to "Consumer Advocacy Group, Inc." and delivered to Reuben Yeroushalmi, Yeroushalmi & Associates, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212.

- 4.1.3 Reimbursement of Attorneys Fees and Costs: Defendant shall pay fifty thousand dollars (\$50,000) to "Yeroushalmi & Associates" as reimbursement for reasonable investigation fees and costs, attorneys' fees, and any other costs incurred as a result of investigating, bringing this matter to Defendant's attention, litigating, and negotiating a settlement in the public interest. The check shall be made payable to "Yeroushalmi & Associates" and delivered to Reuben Yeroushalmi, Yeroushalmi & Associates, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212.
- 4.2 All payments shall be delivered to: Reuben Yeroushalmi, Yeroushalmi & Associates, 9100 Wilshire Blvd., Suite 240W, Beverly Hills, CA 90212.

5.

MATTERS COVERED BY THIS CONSENT JUDGMENT

- behalf of itself and in the public interest and Defendant and its officers, directors, insurers, employees, parents, shareholders, divisions, subdivisions, subsidiaries, partners, affiliates, sister companies and their successors and assigns ("Defendant Releasees"), including but not limited to each of its suppliers, customers, distributors, wholesalers, retailers, including Big Lots Stores, Inc. or any other person in the course of doing business, and the successors and assigns of any of them, who may use, maintain, distribute or sell Covered Products ("Downstream Defendant Releasees"), for all claims for violations of Proposition 65 up through the Effective Date based on exposure to DEHP or DBP from Covered Products as set forth in the Notice. Defendant and Downstream Defendant Releasees' compliance with this Consent Judgment shall constitute compliance with Proposition 65 with respect to DEHP of DBP from Covered Products as set forth in the Notice. Nothing in this Section affects CAG's right to commence or prosecute an action under Proposition 65 against any person other than Defendant Releasees or Downstream Defendant Releasees.
- 5.2 CAG on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses (including, but not limited to, investigation fees, expert fees, and attorneys' fees) of any nature whatsoever, whether known or unknown, fixed or contingent (collectively "Claims"), against the Defendant, Defendant Releasees, and Downstream Defendant Releasees arising from any violation of Proposition 65 or any other statutory or common law regarding the failure to warn about exposure to DEHP or DBP from the Covered Products. In furtherance of the foregoing, as to alleged exposures to DEHP or DBP from the Covered Products, CAG on behalf of itself only, hereby waives any and all rights and benefits which it now has, or in the future may have, conferred upon it with respect to Claims arising from

any violation of Proposition 65 or any other statutory or common law regarding the failure to warn about exposure to DEHP or DBP from the Covered Products by virtue of the provisions of section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

CAG understands and acknowledges that the significance and consequence of this waiver of California Civil Code section 1542 is that even if CAG suffers future damages arising out of or resulting from, or related directly or indirectly to, in whole or in part, Claims arising from any violation of Proposition 65 or any other statutory or common law regarding the failure to warn about exposure to DEHP of DBP from the Covered Products, including but not limited to any exposure to, or failure to warn with respect to exposure to DEHP or DBP from the Covered Products, CAG will not be able to make any claim for those damages against Released Parties. Furthermore, CAG acknowledges that it intends these consequences for any such Claims arising from any violation of Proposition 65 or any other statutory or common law regarding the failure to warn about exposure to DEHP or DBP from Covered Products as may exist as of the date of this release but which CAG does not know exist, and which, if known, would materially affect their decision to enter into this Consent Judgment, regardless of whether their lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

6. ENFORCEMENT OF JUDGMENT

6.1 The terms of this Consent Judgment shall be enforced exclusively by the Parties hereto. The Parties may, by noticed motion or order to show cause before the Superior Court of California, Los Angeles County, giving the notice required by law, enforce the terms and conditions contained herein. A Party may enforce any of the terms and conditions of this Consent Judgment only after that Party first provides 90 days notice to the Party allegedly failing to comply

with the terms and conditions of this Consent Judgment and attempts to resolve such Party's failure to comply in an open and good faith manner.

- 6.2 **Notice of Violation.** Prior to bringing any motion, order to show cause, or other proceeding to enforce the terms of this Consent Judgment, CAG shall provide a Notice of Violation ("NOV") to Defendant. The NOV shall include for each of the Covered Products: the date(s) the alleged violation(s) was observed and the location at which the Covered Products were offered for sale, and shall be accompanied by all test data obtained by CAG regarding the Covered Products, including an identification of the component(s) of the Covered Products that were tested.
 - 6.2.1 Non-Contested NOV. CAG shall take no further action regarding the alleged violation if, within 60 days of receiving such NOV, Defendant serves a Notice of Election ("NOE") that meets one of the following conditions:
 - (a) The Covered Products were shipped by Defendant for sale in California before the Effective Date, or
 - (b) Since receiving the NOV Defendant has taken corrective action by either (i) requesting that its customers or stores in California, as applicable, remove the Covered Products identified in the NOV from sale in California and destroy or return the Covered Products to Defendant or vendor, as applicable, or (ii) providing a clear and reasonable warning for the Covered Products identified in the NOV pursuant to 27 Cal. Code Regs. § 25603.
 - 6.2.2 **Contested NOV.** Defendant may serve an NOE informing CAG of its election to contest the NOV within 30 days of receiving the NOV.
- 6.3 In any proceeding brought by either Party to enforce this Consent Judgment, such party may seek whatever fines, costs, penalties or remedies as may be provided by law for any violation of Proposition 65 or this Consent Judgment.

7.

ENTRY OF CONSENT JUDGMENT

- 7.1 CAG shall file a motion seeking approval of this Consent Judgment pursuant to California Health & Safety Code § 25249.7(f). Upon entry of the Consent Judgment, CAG and Defendant waive their respective rights to a hearing or trial on the allegations of the Complaint.
- 7.2 If this Consent Judgment is not approved in its entirety by the Court, (a) this Consent Judgment and any and all prior agreements between the parties merged herein shall terminate and become null and void, and the actions shall revert to the status that existed prior to the execution date of this Consent Judgment; (b) no term of this Consent Judgment or any draft thereof, or of the negotiation, documentation, or other part or aspect of the Parties' settlement discussions, shall have any effect, nor shall any such matter be admissible in evidence for any purpose in this Action, or in any other proceeding; and (c) the Parties agree to meet and confer to determine whether to modify the terms of the Consent Judgment and to resubmit it for approval.

8. MODIFICATION OF JUDGMENT

- 8.1 This Consent Judgment may be modified only upon written agreement of the Parties and upon entry of a modified Consent Judgment by the Court thereon, or upon motion of any party as provided by law and upon entry of a modified Consent Judgment by the Court.
- 8.2 Any Party seeking to modify this Consent Judgment shall attempt in good faith to meet and confer with the other Party prior to filing a motion to modify the Consent Judgment.

9. RETENTION OF JURISDICTION

9.1 This Court shall retain jurisdiction of this matter to implement and enforce the terms of this Consent Judgment.

10. DUTIES LIMITED TO CALIFORNIA

10.1 This Consent Judgment shall have no effect on Covered Products sold by Defendant outside the State of California.

11. SERVICE ON THE ATTORNEY GENERAL

11.1 CAG shall serve a copy of this Consent Judgment, signed by both parties, on the California Attorney General so that the Attorney General may review this Consent Judgment prior to its submittal to the Court for approval. No sooner than forty five (45) days after the Attorney General has received the aforementioned copy of this Consent Judgment, and in the absence of any written objection by the Attorney General to the terms of this Consent Judgment, the parties may then submit it to the Court for approval.

12. ATTORNEY FEES

12.1 Except as specifically provided in Section 4.1.3, each Party shall bear its own costs and attorneys' fees in connection with this action.

13. ENTIRE AGREEMENT

of the Parties with respect to the entire subject matter hereof and any and all prior discussions, negotiations, commitments and understandings related hereto. No representations, oral or otherwise, express or implied, other than those contained herein have been made by any party hereto. No other agreements not specifically referred to herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties.

14. GOVERNING LAW

- 14.1 The validity, construction and performance of this Consent Judgment shall be governed by the laws of the State of California, without reference to any conflicts of law provisions of California law.
- 14.2 The terms of this Consent Judgment shall be governed by the laws of the State of California. In the event that Proposition 65 is repealed, preempted, or is otherwise rendered inapplicable by reason of law generally, or if any of the provisions of this Consent Judgment are rendered inapplicable or are no longer required as a result of any such repeal or preemption, or rendered inapplicable by reason of law generally as to the Covered Products, then any Defendant

subject to this Consent Judgment may provide written notice to CAG of any asserted change in the law, and shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, the Covered Products are so affected. Nothing in this Consent Judgment shall be interpreted to relieve a Defendant from any obligation to comply with any pertinent state or federal law or regulation.

14.3 The Parties, including their counsel, have participated in the preparation of this Consent Judgment and this Consent Judgment is the result of the joint efforts of the Parties. This Consent Judgment was subject to revision and modification by the Parties and has been accepted and approved as to its final form by all Parties and their counsel. Accordingly, any uncertainty or ambiguity existing in this Consent Judgment shall not be interpreted against any Party as a result of the manner of the preparation of this Consent Judgment. Each Party to this Consent Judgment agrees that any statute or rule of construction providing that ambiguities are to be resolved against the drafting Party should not be employed in the interpretation of this Consent Judgment and, in this regard, the Parties hereby waive California Civil Code § 1654.

15. EXECUTION AND COUNTERPARTS

15.1 This Consent Judgment may be executed in counterparts and by means of facsimile or portable document format (pdf), which taken together shall be deemed to constitute one document and have the same force and effect as original signatures.

16. NOTICES

16.1 Any notices under this Consent Judgment shall be by personal delivery of First Class Mail.

If to CAG:

Reuben Yeroushalmi 9100 Wilshire Boulevard, Suite 240W Beverly Hills, CA 90212 (310) 623-1926

If to Cequent Consumer Products, Inc.:

* [[John Aleva, President, or	2.45%
2	Current President/CEO	
3	Cequent Consumer Products, Inc 29000 Aurora Road # 2	
	Solon, OH 44139-7202	
4	With a copy to:	
5	100 CT	
6	Elizabeth V. McNulty	
7	Archer Norris PLC	
8	4695 MacArthur Court, Suite 350 Newport Beach, Ca. 92660	
9	Language Terminal Policy College	
10	17. AUTHORITY TO STIPULATE	
11		someone and fine that he is the to the total with some
12		gment certifies that he or she is fully authorized
13	by the party he or she represents to enter into this Consent Judgment and to execute it on benant	
14	the party represented and legally to bind that part	y.
	en de de la constante de la co	
15	na managanaki), izilizi	
16	AGREED TO: A	GREED TO:
17	Date: 5-28,2014 D	ate: MM 2 2 2014
18		AL
19		1 July Marker
20	Name: Michel Sassoon N	and Jush Sherbin
21	Title: Executive Surveyor T	EQUENT CONSUMER PRODUCTS,
22	INC.	EQUENT CONSUMER PRODUCTS,
23		
24	The state of the s	·
25		
26		
27	To construct the second	А
28		
	CONSENT JUDGM	ENT [PROPOSED]

1	IT IS SO ORDERED.
2	
3	Date:
4	JUDGE OF THE SUPERIOR COURT
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	14
	CONSENT HIDCMENT (PROPOSED)